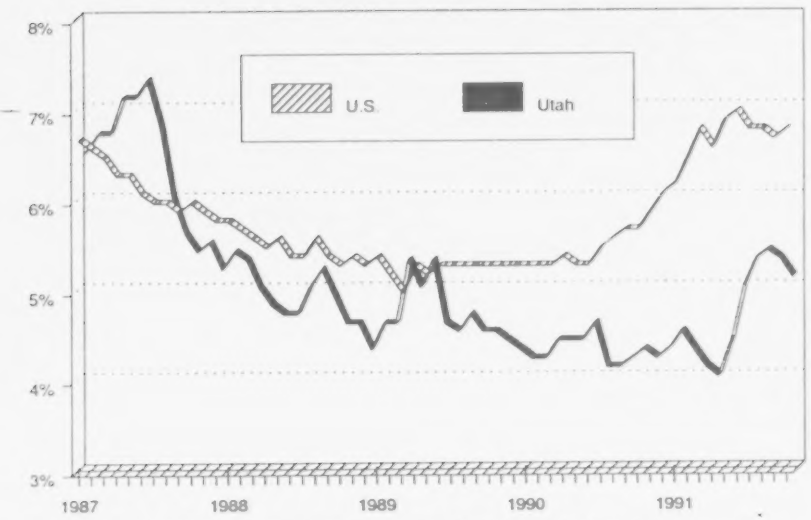
Utah Labor Market Report

October 1991
Volume 1, No. 10

Seasonally Adjusted Unemployment Rates



Source: Utah Department of Employment Security, Labor Market Information Services.

Utah bucked the national unemployment rate trend in October—How long can this last?

Utah, in general, continues to hold out against recessionary forces; but the State's economy doesn't have total immunity to the U.S. downturn.

Utah's unemployment rate *dropped* two-tenths of a point to 5.1 percent in October. In fact, it ran contrary to the national rate increase. Several media reports indicated that the U.S. jobless rate "climbed" to 6.8 percent in October. Does this mean that the U.S. recovery has been derailed?

Not necessarily. In the first place, a one-tenth of a percentage point rise might better be described in terms such as "inched up" rather than "climbed." Moreover, one month does not a trend make. And, a monthly increase of one-tenth of a point is not even statistically significant.

While Utah's jobless rate slipped in October, Utah unemployment remains substantially higher than it was a year ago (4.3 percent). Obviously, Utah is not immune to the U.S. downturn. Approximately 41,100 Utahns were out of work in October 1991—20 percent more than a year ago. Nevertheless, Utah's jobless rate falls 1.7 points below the national average and, in general, is approaching "full employment." In addition, the State's jobless rate appears to have peaked out in August 1991 at 5.4 percent. Fortunately, Utah's economy has continued to grow—despite layoffs in mining and manufacturing—which has kept unemployment relatively low.

On the other hand, Utah job growth continued to slip in October. Since the beginning of 1991, the nonfarm job growth rate has dropped almost a full percentage point. Nevertheless, Utah's economy produced 21,600 net new nonagricultural jobs since October 1991—an increase of 3 percent. The good news is that Utah has continued to produce jobs

Continued on page 2

Inside

Economic Events..... 6
County Highlights..... 7
New Career Guide..... 11
Mass Layoffs..... 13
Cost of Living..... 18

THE RATE *(Seasonally Adjusted)*

Oct 1991	Utah	5.1%	U.S.	6.8%
Sep 1991	Utah	5.3%	U.S.	6.7%
Oct 1990	Utah	4.3%	U.S.	5.7%

NONFARM JOBS *(% change from a year ago)*

Oct 1991	Utah	2.9%	U.S.	-0.9%

CPI-U *(Base Year 1982-84 = 100)*

Sep 1991	U.S.	137.2	Yr-over chng	3.4%

PPI *(Base Year 1982-84 = 100)*

Sep 1991	U.S.	116.0	Yr-over chng	-1.9%

during the national recession—at a growth rate near its long-term "average."

Third quarter Gross National Product figures indicate the national economy has started growing again. Nevertheless, Utah's job growth will likely continue to gradually decline for several more months. Other economic indicators challenge GNP "recovery" figures, and Utah typically lags shifts in the U.S. economy.

Mining and manufacturing have been hardest hit by the U.S. downturn. The State's mining industry has lost about 100 jobs since October 1990—due to coal mine layoffs. In addition, manufacturing has barely avoided losing jobs on a net basis. Employment in this sector may soon show overall declines—the durable goods sector is already down 300 jobs compared to a year ago.

Construction—typically hard hit in a recession—remains blissfully ignorant of any economic downturn with a 2,500, 8 percent gain. One of the hottest housing markets in the U.S., Salt Lake residential building has helped spur this increase.

Growth in services has slowed, but still remains strong. With 8,800 additional positions (up 5 percent), services still ranks as the top job-producing industry. The finance/insurance/real estate sector has rebounded with the addition of several new financial services centers. This sector has added 1,300 jobs since October 1990 for a growth rate of almost 4 percent. Trade also experienced a moderate 3 percent job gain.

The public sector registered a 2 percent increase in employment over the October 1990 to October 1991 period. Cutbacks in defense-related employment continue to drag government employment growth down.

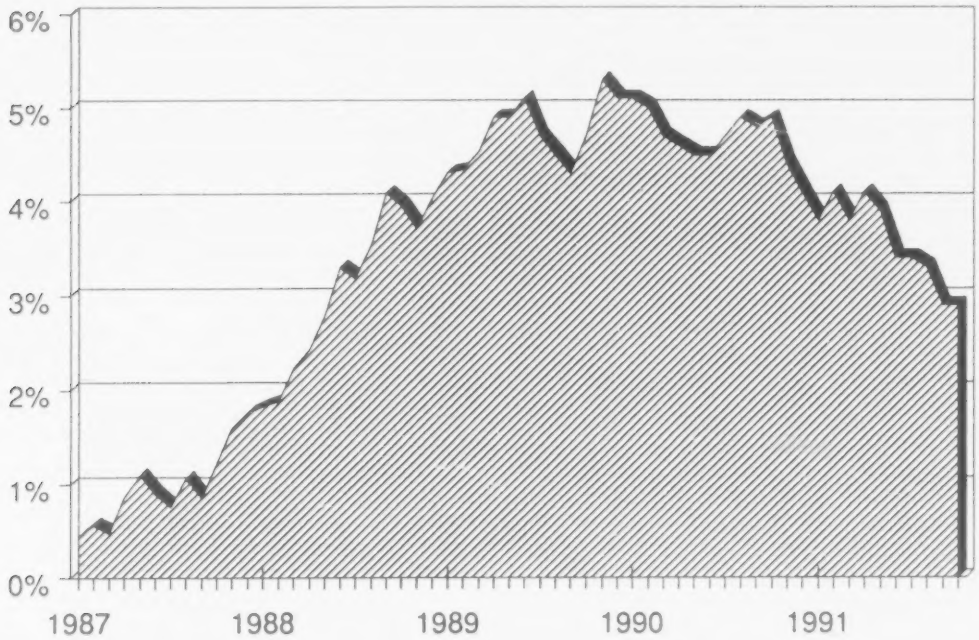
Transportation/communications/utilities felt the winds of the economic malaise. This sector is up a mere 1.6 percent from last year with most subsectors experiencing only sluggish expansion.

The State has managed to avoid a downturn so far; but, if the national economy continues to stagnate or experiences a "double dip" recession, Utah could finally succumb to the economic malaise. However, we are confident that a Utah recession remains a worst-case scenario.❐

Lecia Parks Langston
Chief Economist

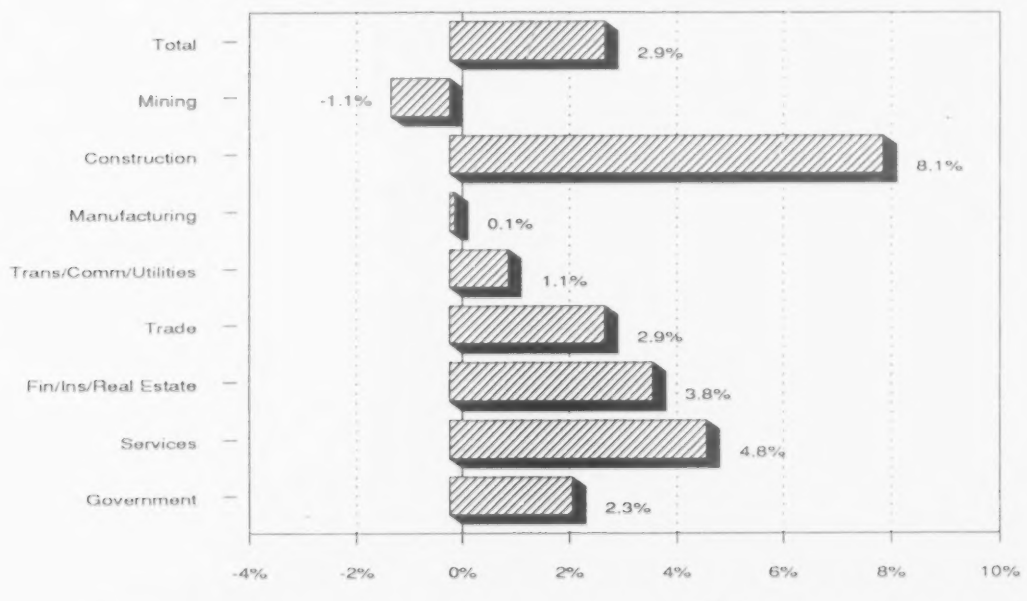
- ***Job growth in Utah has slowed to less than 3 percent.***
- ***Utah's jobless rate dropped two-tenths of a percentage point to 5.1 percent.***
- ***Lower Utah joblessness and a higher U.S. rate place Utah's unemployment rate 1.7 points below the national average.***
- ***The Utah construction industry ignored the U.S. downturn with an 8 percent growth rate and 2,500 new jobs.***

Year-Over Percent Change in Utah Nonfarm Jobs



Source: Utah Department of Employment Security, Labor Market Information Services.

October 1990-91 Percent Growth In Utah Nonfarm Jobs by Industry



Source: Utah Department of Employment Security, Labor Market Information Services.

RAW

Table 1. Utah Civilian Labor Force and Nonagricultural Jobs, Not Seasonally Adjusted *(Numbers in Thousands)*

	Oct 19901(f)	Oct 1990	Percent Change	Sept 1991(p)	Aug 1991(r)
CIVILIAN LABOR FORCE	**808.0**	**801.9**	**0. 8**	**808.2**	**801.6**
Employed	**772.0**	**771.8**	**0.0**	**776.9**	**769.2**
Unemployed	**36.0**	**30.1**	**19.6**	**31.3**	**32.4**
Percent of Labor Force	4.5	3.8	—	3.9	4.0
NONAGRICULTURAL JOBS	**761.1**	**739.5**	**2.9**	**758.4**	**748.9**
Mining	**8.7**	**8.8**	**-1.1**	**8.7**	**8.7**
Metal Mining	3.1	3.1	0.0	3.1	3.2
Bituminous Coal Mining	2.4	2.5	-4.0	2.4	2.3
Oil/Gas Extraction & Quarrying*	3.2	3.2	0.0	3.2	3.2
Contract Construction	**33.3**	**30.8**	**8.1**	**33.7**	**33.6**
Manufacturing	**109.3**	**109.2**	**0.1**	**109.1**	**109.4**
Durable Goods	72.1	72.4	-0.4	72.1	72.2
Primary Metals	*6.0*	*6.0*	*0.0*	*6.0*	*6.0*
Fabricated Metals, Machinery, & Computers	*14.2*	*14.3*	*-0.7*	*14.2*	*14.2*
Electrical/Electric Equipment (ex. Computers)	*10.9*	*11.7*	*-6.8*	*10.9*	*11.0*
Transportation Equipment	*17.3*	*17.8*	*-2.8*	*17.5*	*17.5*
*Lumber/Furniture,Stone/Clay/Glass**	*10.5*	*10.6*	*-0.9*	*10.7*	*10.8*
*Other Durable Goods**	*13.2*	*12.0*	*10.0*	*12.8*	*12.7*
Nondurable Goods	37.2	36.8	1.1	36.9	37.1
Food & Related Products	*12.2*	*12.3*	*-0.8*	*12.1*	*12.2*
*Other Nondurable Goods**	*25.0*	*24.5*	*2.0*	*24.8*	*24.9*
Transportation, Communications, & Utilities	**43.2**	**42.8**	**0.9**	**43.0**	**43.4**
Railroad Transportation	2.5	2.5	0.0	2.5	2.5
Trucking & Warehousing	16.0	15.7	1.9	15.8	16.0
Transportation by Air*	7.1	7.0	1.4	7.1	7.1
Other Transportation & Related Services*	3.2	3.1	3.2	3.2	3.3
Communications	6.9	7.0	-1.4	6.9	6.9
Electric, Gas, & Sanitary Services	7.5	7.5	0.0	7.5	7.5
Trade	**180.7**	**175.6**	**2.9**	**180.6**	**180.1**
Wholesale Trade	40.0	39.5	1.3	39.9	39.9
*Durable Goods**	*23.1*	*23.1*	*0.0*	*23.1*	*23.2*
*Nondurable Goods**	*16.9*	*16.4*	*3.0*	*16.8*	*16.7*
Retail Trade	140.7	136.1	3.4	140.7	140.2
Food Stores	*25.2*	*24.4*	*3.3*	*25.2*	*25.2*
Auto Dealers/Parts Stores, & Gas Stations	*16.4*	*16.3*	*0.6*	*16.5*	*16.6*
Eating & Drinking Places	*44.7*	*43.4*	*3.0*	*45.8*	*45.7*
*Home Furniture/Equipment & Clothing Stores**	*12.5*	*11.3*	*10.6*	*12.5*	*12.4*
*Gen. Merchandise/Building & Garden Supply**	*22.6*	*22.4*	*0.9*	*22.0*	*21.8*
Miscellaneous Retail	*19.3*	*18.3*	*5.5*	*18.7*	*18.5*
Finance, Insurance, & Real Estate	**35.6**	**34.3**	**3.8**	**35.9**	**36.1**
Depository Institutions*	13.0	12.9	0.8	13.3	13.3
Other Finance/Insurance/Real Estate*	22.6	21.4	5.6	22.6	22.8
Services	**193.5**	**184.7**	**4.8**	**194.6**	**193.5**
Hotels & Lodging Places	11.9	11.6	2.6	12.6	12.8
Personal, Amusement & Recreational*	17.7	17.0	4.1	18.9	19.5
Computer-Related*	9.0	8.5	5.9	9.0	9.0
Other Business Services*	32.7	30.7	6.5	32.1	32.1
Auto Repair/Rental/Parking*	7.1	6.8	4.4	7.2	7.3
Health	48.9	46.4	5.4	49.2	49.1
Education/Social & Membership Organizations*	39.6	38.5	2.9	38.7	36.4
Legal & Miscellaneous Services	5.0	4.7	6.4	4.9	4.9
Engineering, Accounting, & Related*	15.3	14.7	4.1	15.5	15.7
Other Repair/Ag. Services & Museums, etc.*	6.3	5.8	8.6	6.5	6.7
Government	**156.8**	**153.3**	**2.3**	**152.8**	**144.1**
Federal Government	38.7	39.0	-0.8	39.3	39.4
*U.S. Defense**	*19.1*	*20.6*	*-7.3*	*19.1*	*19.3*
*Other Federal**	*19.6*	*18.4*	*6.5*	*20.2*	*20.1*
State Government	45.2	43.4	4.1	42.1	41.9
*State Education**	*24.8*	*23.9*	*3.8*	*21.6*	*21.6*
*Other State**	*20.4*	*19.5*	*4.6*	*20.5*	*20.3*
Local Government	72.9	70.9	2.8	71.4	62.8
*Public School Districts**	*47.5*	*46.1*	*3.0*	*44.9*	*35.4*
*Other Local**	*25.4*	*24.8*	*2.4*	*26.5*	*27.4*

Source: Utah Department of Employment Security, Labor Market Information Services. Prepared in conjunction with the U.S. Department of Labor, Bureau of Labor Statistics (BLS). NOTE: Forecast data and cells marked by an asterisk (*) are not sanctioned by BLS.

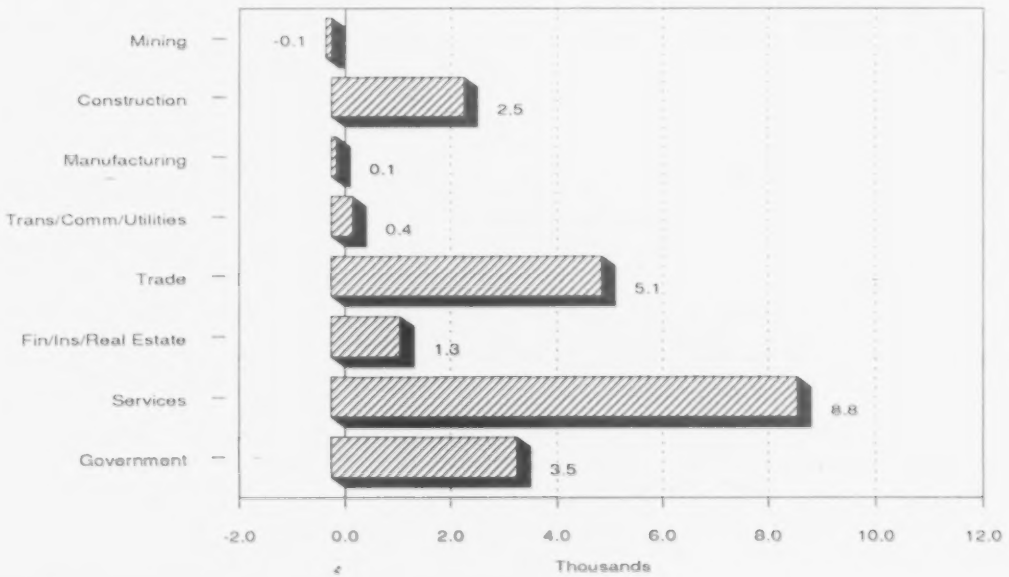
ADJUSTED

Table 2. Utah Civilian Labor Force and Nonagricultural Jobs Seasonally Adjusted *(Numbers in Thousands)*

	Oct 1991(f)	Oct 1990	Percent Change	Sept 1991(p)	Aug 1991(r)
CIVILIAN LABOR FORCE	**804.7**	**797.3**	**0.9**	**802.7**	**811.0**
Employed	**763.6**	**763.0**	**0.1**	**760.1**	**767.4**
Unemployed	**41.1**	**34.3**	**19.8**	**42.6**	**43.6**
Percent of Labor Force	5.1	4.3	-.-	5.3	5.4
NONAGRICULTURAL JOBS	**754.5**	**733.3**	**2.9**	**750.9**	**747.9**
Mining	**8.7**	**8.8**	**-1.1**	**8.7**	**9.0**
Contract Construction	**30.4**	**28.2**	**8.1**	**30.0**	**30.1**
Manufacturing	**108.2**	**108.1**	**0.1**	**107.9**	**108.3**
Durable Goods	71.5	71.8	-0.4	71.5	71.5
Nondurable Goods	36.6	36.2	1.1	36.4	36.8
Trans., Comm., Public Utilities	**43.1**	**42.7**	**0.9**	**42.6**	**42.8**
Trade	**180.2**	**175.1**	**2.9**	**179.2**	**178.9**
Wholesale	39.9	39.4	1.3	39.5	39.5
Retail	140.3	135.7	3.4	139.6	139.4
Finance, Insurance & Real Estate	**35.7**	**34.4**	**3.8**	**35.8**	**35.8**
Services	**192.5**	**183.7**	**4.8**	**191.9**	**194.0**
Government	**155.8**	**152.4**	**2.3**	**154.9**	**151.1**
Federal Government	39.2	39.5	-0.8	39.1	39.0
State Government	44.5	42.7	4.1	44.4	44.8
Local Government	72.2	70.2	2.8	71.3	67.3

Source: Utah Department of Employment Security, Labor Market Information Services.

October 1990-91 Growth in Utah Nonfarm Jobs by Industry



Source: Utah Department of Employment Security, Labor Market Information Services.

Economic Events

Please note: Information contained in Economic Events is obtained from regional newspapers, local Job Service offices, trade publications, clipping services, and local area Chamber of Commerce publications.

- Novell, Inc., announced that it will expand its operations in the Provo East Bay Industrial park by 1993. Sixteen acres adjacent to the present location have been purchased from the city, which could eventually add 3,200 new jobs to the software manufacturer's operations. Novell currently employs 1,200 workers at its Provo and Sandy sites.
- OEA, Inc., a Denver-based firm broke ground in the Tremonton Industrial Development Park on a new industrial layout. The company will work closely with Morton International, the makers of driver-side airbags. OEA will supply Morton with initiators for the airbags. The facility is expected to be operational by next year, and employment is projected at 200 to 250 people. The company plans within two years to expand the operation even further and increase employment to over 550 workers.
- The United States Navy awarded a $161 million contract to Unisys Communication Systems Division in Salt Lake City. The contract is to develop a defense communication program that will link surveillance aircraft with aircraft carriers. The initial award is for research and development, with options available over the contract's life which could total $161 million. The contract may not result in new hires, but it does provide long-term production for those already working in the defense-related division.
- Hercules' Utah Aerospace Division announced an additional round of layoffs. The firm expects that 400 workers will lose their jobs due to proposed nuclear arms reductions and anticipated contract extensions.
- Modernization is responsible for a cut of 55 employees at Geneva Steel. New Q-BOP furnaces decreased the plant's manpower needs. The company has tried to keep as many people as possible by cutting overtime and adjusting hours.
- Ground has been broken for a new "luxury budget" hotel in South Jordan—the South Jordan Sleep Inn. Construction on the 128-room hotel will proceed in two phases. The first phase construction for 68 rooms will begin immediately, while work on the second phase of 60 rooms is scheduled to begin in 1994. The hotel will be owned by Choice Hotels, the world's third largest hotel system.
- Oil well operation and drilling in the State is at its highest level in five years. Seismic evaluations and the drilling of new wells is increasing in the Uintah Basin and the southeastern part of the State. Also, older wells are being refurbished in response to a tax credit enacted by last year's state legislature.❐

Utah's counties offer a diversity economic experiences

Four of Utah's eight multicounty planning districts followed the State's lead with declining unemployment rates. However, the current rates for all districts are at least moderately higher than the year-ago figures. Concurrently, and somewhat contradictorily, year-over growth in nonfarm employment totals continued to slow in most districts.

The Southeastern, Uintah Basin, Bear River, and Southwestern Districts experienced increasing unemployment rates. The Southeastern District (Carbon, Emery, Grand, and San Juan counties) experienced the highest rate of joblessness (9 percent) during the past year. Energy-related difficulties still plague the area.

Uintah Basin's unemployment rate increased slightly to 7.6 percent, but its year-over job growth is a seemingly healthy 4.4 percent. However, virtually all of these new jobs are due to increased oil exploration last spring; other facets of the economy are nearly stagnant.

The Bear River District's unemployment rate increased nearly one-half point, but at 4 percent, is by far the lowest district rate. Also, its diversified nonfarm employment growth of 3 percent is indicative of the area's economic strength.

The Southwestern District's unemployment rate inched up to 5.7 percent. Both Garfield and Kane counties have gloomy economic indicators. However, low unemployment rates and rapid job growth in Iron and Washington counties make the overall district statistics look good.

Unemployment in the Central District, at nearly 8 percent, is higher than both the state and national averages. Despite slight overall job growth of 1.3

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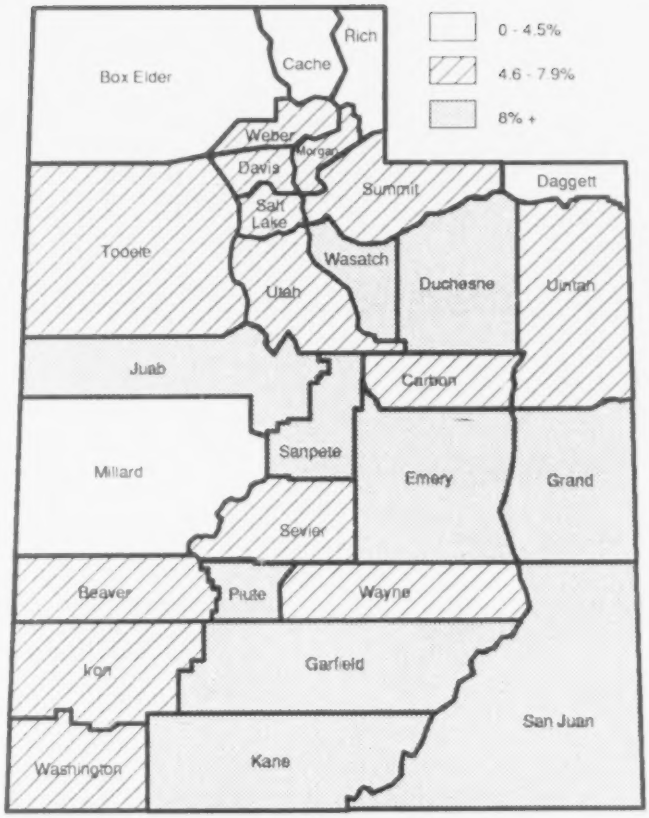


Unemployment Rates October 1991

- ***Despite falling joblessness, all districts are experiencing higher unemployment rates this year.***
- ***The Bear River District has the lowest jobless rate as well as strong diversified job growth.***
- ***The Central and Southeastern Districts are experiencing the weakest economies.***
- ***Metro areas, in general, are doing better than nonmetro areas.***

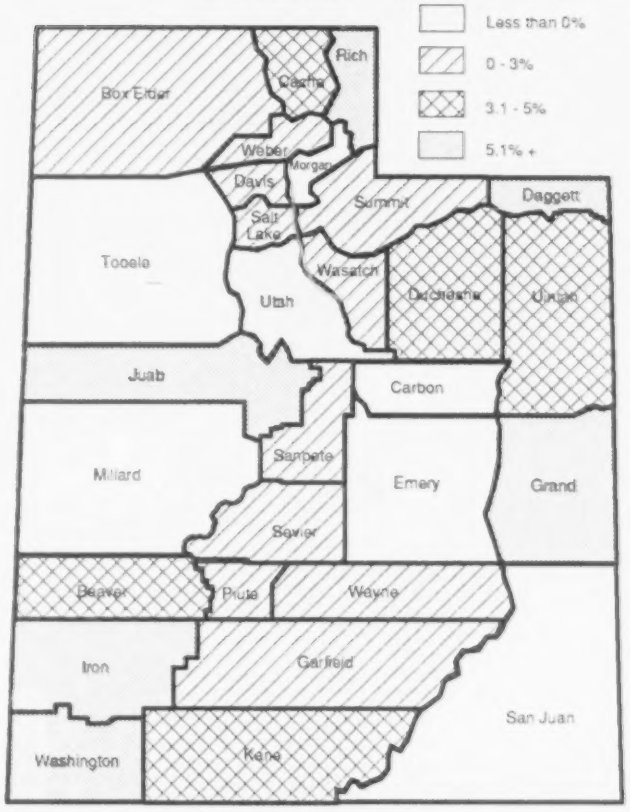
Continued from page 7

percent, this area's economy is suffering.

The districts containing metropolitan counties are, generally weathering the U.S recession well. In fact, Mountainland's major indicators (because of Utah County's strength) reflect only "good times." Salt Lake and Davis counties both have low unemployment, but Davis's job growth is anemic due to defense-related cutbacks as is Weber County's job growth. Weber's unemployment rate, at six percent, reflects this economic slowdown. The nonmetro counties in these districts—Wasatch, Summit, Tooele, and Morgan—are, in varying degrees, all struggling with higher unemployment and/or slow job growth.❐

Kenneth E. Jensen
Labor Market Economist

Year-Over Percent Change in Nonfarm Jobs October 1991



Metro Areas

Table 3. Civilian Labor Force and Nonfarm Jobs for SaltLake/Ogden and Provo/Orem Metropolitan Statistical Areas *(Numbers in Thousands)*

	Salt Lake/Ogden					Provo/Orem				
	Oct 1991(f)	Oct 1990	Percent Change	Sep 1991(p)	Aug 1991(r)	Oct 1991(f)	Oct 1990	Percent Change	Sep 1991(p)	Aug 1991(r)
Civilian Labor Force	**519.9**	**515.7**	**0.8**	**525.3**	**518.2**	**124.5**	**123.0**	**1.2**	**124.7**	**126.8**
Employed	497.3	496.6	0.1	499.1	491.0	119.5	119.0	0.4	119.1	121.0
Unemployed	22.6	19.1	18.3	26.2	27.2	5.0	4.0	25.0	5.6	5.8
Rate	4.3	3.7	—	5.0	5.2	4.0	3.2	—	4.5	4.5
Total Nonfarm Jobs	**514.9**	**503.4**	**2.3**	**516.3**	**509.8**	**104.6**	**98.7**	**6.0**	**103.7**	**99.9**
Mining	2.9	2.9	0.0	3.0	2.7	0.1	0.0	0.0	0.1	0.1
Construction	25.5	21.6	4.2	23.4	23.1	4.3	3.3	30.3	4.2	4.2
Manufacturing	70.2	70.4	-0.3	70.8	70.5	14.7	14.4	2.1	14.7	14.4
Durable	48.3	48.7	-0.8	49.1	48.9	9.0	8.9	1.1	8.9	8.7
Nondurable	21.9	21.7	0.9	21.7	21.6	5.7	5.5	3.6	5.8	5.7
Trans/Comm/Utilities	33.9	33.4	1.5	33.8	33.9	2.4	2.4	0.0	2.4	2.5
Trade	125.8	122.9	2.4	125.3	124.0	24.3	23.4	3.8	24.6	24.3
Wholesale	31.5	31.6	-0.3	31.0	30.9	5.1	4.6	10.9	5.6	5.7
Retail	94.3	91.3	3.3	94.3	93.1	19.2	18.8	2.1	19.0	18.6
Fin/Ins/Real Estate	29.6	28.5	3.9	29.8	29.8	2.3	2.3	0.0	2.4	2.4
Service	128.4	123.5	4.0	130.9	130.8	40.9	37.9	7.9	40.0	37.5
Government	101.6	100.2	1.4	99.3	95.0	15.6	15.0	4.0	15.3	14.5

Source: Utah Department of Employment Security, Labor Market Information Services.

By County

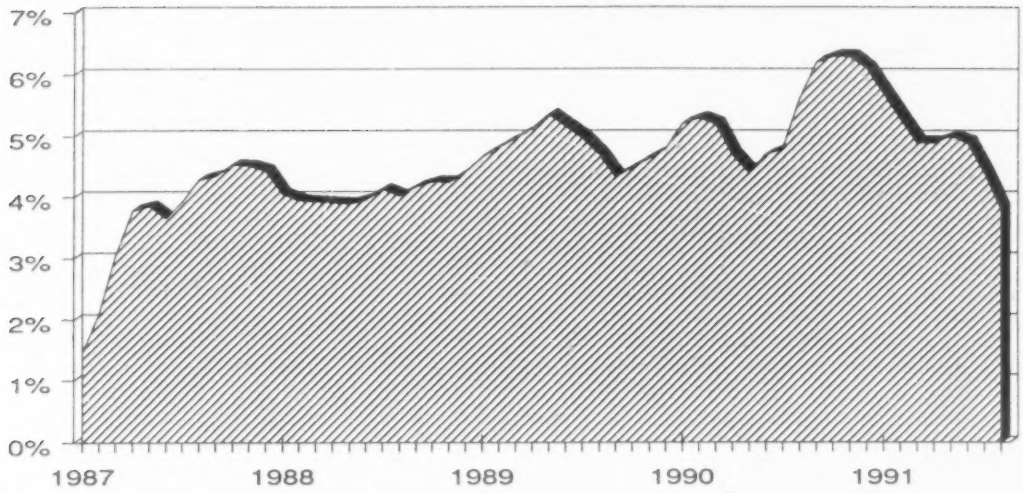
Table 4. Unemployment Rates and Nonfarm Jobs in Utah by County

	Seasonally Adjusted Unemployment Rate				Nonfarm Wage and Salary Jobs				
	Oct 1991(f)	Sept 1991(p)	Aug 1991(r)	Oct 1990	Oct 1991(f)	Oct 1990	Percent Change	Sept 1991(p)	Aug 1991(r)
STATE TOTAL	**5.1**	**5.3**	**5.4**	**4.3**	**761,100**	**739,380**	**2.9**	**761,700**	**748,800**
Bear River	**4.0**	**3.6**	**4.6**	**3.3**	**46,430**	**45,070**	**3.0**	**45,980**	**44,710**
Box Elder	4.5	4.7	5.2	3.2	15,610	15,440	1.1	15,610	15,410
Cache	3.8	3.1	4.4	3.4	30,420	29,260	4.0	29,970	28,880
Rich	1.5	2.3	2.3	1.6	400	370	8.1	400	420
Wasatch Front	**4.9**	**5.3**	**5.2**	**4.2**	**526,010**	**514,400**	**2.3**	**528,080**	**521,250**
Wasatch Front North	**5.3**	**5.9**	**5.8**	**4.8**	**130,290**	**128,570**	**1.3**	**129,490**	**129,230**
Davis	4.7	5.3	4.9	4.1	61,690	60,870	1.3	61,430	61,090
Morgan	6.2	5.6	5.7	5.6	1,020	1,030	-1.0	1,050	1,020
Weber	6.0	6.5	6.8	5.5	67,580	66,670	1.4	67,010	67,120
Wasatch Front South	**4.7**	**5.1**	**4.9**	**4.0**	**395,720**	**385,830**	**2.6**	**398,590**	**392,020**
Salt Lake	4.6	5.1	4.9	4.0	385,600	375,650	2.6	381,520	388,020
Tooele	6.5	5.0	6.2	5.7	10,120	10,180	-0.6	10,500	10,570
Mountainland	**4.9**	**5.2**	**4.8**	**4.1**	**114,510**	**108,230**	**5.8**	**113,970**	**110,280**
Summit	7.8	7.3	7.4	6.5	7,210	6,970	3.4	7,750	7,580
Utah	4.6	4.9	4.5	3.8	104,640	98,650	6.1	103,640	99,800
Wasatch	8.8	9.3	7.0	8.3	2,660	2,610	1.9	2,750	2,730
Central	**7.8**	**8.1**	**7.7**	**6.6**	**16,030**	**15,830**	**1.3**	**15,540**	**15,290**
Juab	8.5	6.9	7.9	6.4	1,960	1,830	7.1	2,040	2,050
Millard	4.4	4.2	4.1	4.2	3,400	3,520	-3.4	3,340	3,240
Piute	9.9	11.1	14.2	8.0	200	200	0.0	200	200
Sanpete	10.4	10.6	9.8	8.5	4,730	4,650	1.7	4,150	4,160
Sevier	7.8	9.0	7.8	6.6	5,130	5,030	2.0	5,210	5,090
Wayne	5.6	8.0	7.8	7.0	610	600	1.7	590	560
Southwestern	**5.7**	**5.6**	**5.6**	**4.9**	**29,790**	**27,420**	**8.6**	**29,030**	**28,660**
Beaver	6.7	3.5	3.9	3.7	1,340	1,280	4.7	1,370	1,390
Garfield	10.9	11.0	15.0	11.7	1,610	1,590	1.3	1,690	1,700
Iron	5.4	5.7	4.1	4.9	8,190	7,480	9.5	7,920	7,730
Kane	8.0	6.6	8.9	5.9	1,630	1,570	3.8	1,690	1,670
Washington	5.1	5.3	5.4	4.3	17,020	15,500	9.8	16,360	16,170
Uintah Basin	**7.6**	**7.4**	**7.2**	**7.0**	**11,550**	**11,060**	**4.4**	**12,050**	**11,910**
Daggett	2.2	2.3	3.5	1.9	370	340	8.8	430	420
Duchesne	9.4	9.2	9.0	7.6	3,800	3,650	4.1	3,850	3,950
Uintah	6.9	6.7	6.4	7.0	7,380	7,070	4.4	7,540	7,770
Southeastern	**8.9**	**8.4**	**8.3**	**7.1**	**16,780**	**17,260**	**-2.8**	**17,080**	**16,740**
Carbon	7.8	7.8	7.5	6.0	7,400	7,690	-3.8	7,650	7,460
Emery	11.0	9.6	9.8	8.9	3,380	3,580	-5.6	3,500	3,420
Grand	8.4	7.7	7.8	7.7	2,710	2,490	8.8	2,840	2,820
San Juan	9.7	9.3	9.0	7.3	3,290	3,500	-6.0	3,090	3,040
Salt Lake/Ogden MSA	4.8	5.3	5.2	4.2	514,900	503,400	2.3	516,300	509,800
Provo/Orem MSA	4.6	4.9	4.5	3.8	104,600	98,700	6.0	103,600	99,800

Source: Utah Department of Employment Security, Labor Market Information Services.

Note: Seasonally adjusted unemployment rates should not be used for federal or state funding applications.

Year-over Percent Increase in U.S. Consumer Price Index



Source: U.S. Department of Labor, Bureau of Labor Statistics.

PRICES

Table 5. Current U.S. Price Indexes

	INDEX		% CHANGE FROM	
	Sept 1991	Sept 1990	Prior Year	Prior Month
CONSUMER PRICES (1982-84=100)				
ALL ITEMS (CPI-U[1])	**137.2**	**132.7**	**3.4**	**0.4**
Food and Beverages	136.7	133.0	2.8	0.1
Food at Home	134.9	132.9	1.5	0.0
Housing	134.7	130.5	3.2	0.1
Rent Residential	144.6	140.0	3.3	0.6
Fuel and Other Utilities	116.8	114.0	2.5	0.5
Medical Care	179.7	165.8	8.4	0.4
Apparel and Upkeep	131.3	126.8	3.5	2.9
Transportation	123.8	123.0	0.7	0.0
Gasoline	99.8	111.8	-10.7	0.5
Energy[3]	103.6	108.8	-4.8	0.7
PURCHASING POWER OF CONSUMER DOLLAR: (1982-84 = $1.00)	**$0.729**	**$0.754**	**-3.3**	**-0.4**
ALL ITEMS (CPI-W[2])	**135.2**	**131.1**	**3.1**	**0.4**
PRODUCER PRICES (1982 = 100)				
ALL COMMODITIES	**116.0**	**118.3**	**-1.9**	**-0.2**
Finished Goods	121.3	120.4	0.7	-0.3
Intermediate Materials	114.5	116.3	-1.5	0.2
Crude Materials	98.0	115.3	-15.0	-1.2

1 Consumer Price Index—All Urban Consumers.

2 Consumer Price Index—Urban Wage Earners and Clerical Workers.

3 Energy is a special group index consisting of prices paid for the following: fuel oil, coal, bottled gas, electricity, gasoline, and motor oil and coolant. It is not one of the components of the "All Items" as its subcomponents are already included.

Source: U. S. Department of Labor, Bureau of Labor Statisitcs.

Job Service

Table 6. Employment Security Activities in Utah

	Oct 1991(p)	Oct 1990	Percent Change	Sep 1991
Nonfarm Jobs Available	22,911	26,952	-15.0	21,541
New Applications for Jobs	10,515	9,986	5.3	9,956
Total Nonfarm Job Placements	7,570	9,180	-17.5	5,799
Initial Claims	1,076	1,219	-11.7	1,171
Weeks Claimed	8,202	6,804	20.5	8,326
Insured Unemployment Rate	1.14	0.95	—	1.15
Benefits Paid (Monthly)	$4,368,518	$3,741,216	16.8	$4,523,698

Note: All claims data include Regular UI, UCFE, and UCX claims only and are listed for the week containing the 15th day of the month.

Source: Utah Department of Employment Security, Labor Market Information Services.

Utah's 1991-92 Career Guide Now Available

The Utah State Occupational Information Coordinating Committee (SOICC) is pleased to announce that copies of the *1991-1992 Edition of Utah's Career Guide* are now available. The *Career Guide*, a publication designed to provide Utahns with information about job and career options, is full of helpful information about career planning, national/statewide employment trends, and job training and education opportunities.

Career Information

The results of a Gallup Poll released in early 1990 indicated that 65 percent of adult Americans would try to get more information about their career options if they could plan their worklife again. The survey also indicated that almost 75 percent of young people ages 18-25 said they would get more information about their job and career options. The 36-page *Career Guide* is an excellent "one-stop" source for the information both career counselors and job seekers need to explore career choices.

Experts Provide Insight

According to Tammy Thorin Stewart, Director of the Utah SOICC, articles in *Utah's Career Guide* have been written by experts in the fields of education, job training, career planning and development, job placement, financial aid, and labor market information. Kristine Dobson, editor of the Career Guide, added that "The Utah Career Chart," one of the *Guide's* most popular features, has been completely updated. The Career Chart contains descriptions and job duties for over 200 occupations along with the employment outlook and starting salaries for each occupation, the training required to enter the occupation, and the public education entities in Utah that offer training for the occupation.

Already, school districts, post-secondary education entities, local Job Service offices, JTPA programs, Vocational Rehabilitation offices, and other groups that provide career counseling have purchased copies of the *1991-1992 Guide* for distribution.

A Product of SOICC

Utah's Career Guide is published annually by the Utah SOICC, an interagency committee dedicated to ensuring that Utah's citizens get the career and labor market information they need to make good decisions for the their future and for the future of Utah. The SOICC is comprised of representatives from the following seven agencies: the Office of Planning and Budget, the Department of Employment Security, the State Board for Vocational Education, the State Job Training Coordination Council, the State Board of Regents, the State Office of Rehabilitation, and the Department of Community and Economic Development.

Copies Available

Copies of *Utah's Career Guide* for 1991-1992 are available for 25 cents each or $10.00 for a bundle of 60 copies. You may obtain copies of the *Guide* by writing or calling:

Utah SOICC
140 East 300 South
P.O. Box 11249
Salt Lake City, UT 84147

(801)536-7806

Hours and Earnings

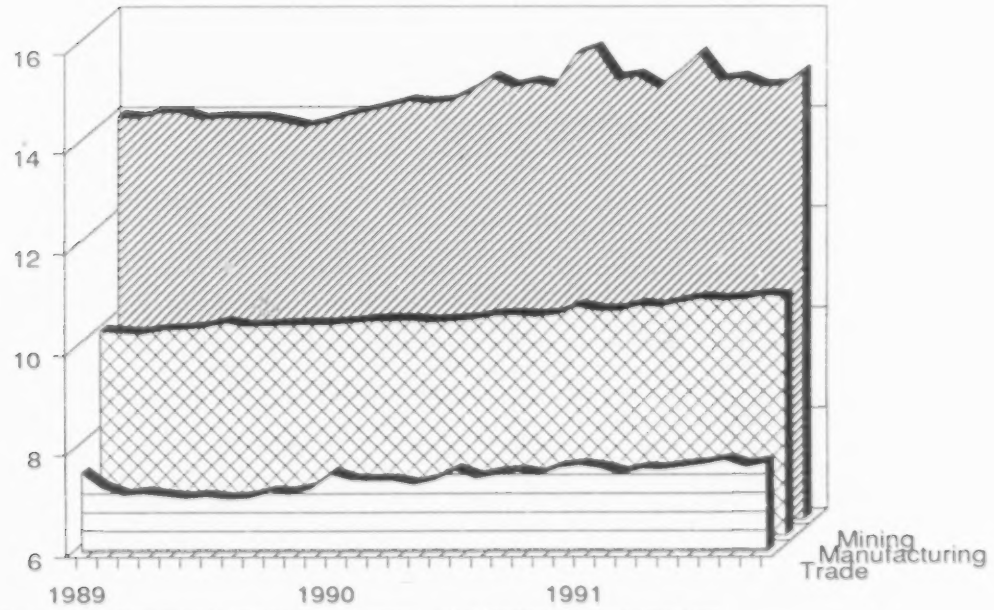
Table 7. Hours and Earnings of Production Workers in Utah

	Average Hourly Earnings				Average Weekly Hours			
	Sep 1991(p)	Sep 1990	% Chng	Aug 1990(r)	Sep 1991(p)	Sep 1990	% Chng	Aug 1990(r)
MINING	**14.93**	**14.71**	**1.5**	**14.64**	**44.5**	**46.1**	**-3.5**	**42.6**
Metal Mining	14.01	13.73	2.0	13.44	45.9	47.0	-2.3	44.2
Bituminous Coal Mining	16.96	17.21	-1.5	17.75	44.7	39.3	1.3	39.8
MANUFACTURING	**10.75**	**10.38**	**3.6**	**10.76**	**40.7**	**40.3**	**1.0**	**40.0**
Durable Goods	11.08	10.65	4.0	11.02	40.4	40.6	-0.5	40.1
Primary Metals	14.12	13.35	5.8	13.54	41.5	40.0	3.8	39.9
Fabricated Metal Prod. and Mach.	10.51	10.09	4.2	10.55	40.2	40.5	-0.7	40.5
Transportation Equipment	13.30	13.29	0.0	13.44	40.4	41.0	-1.5	40.1
Nondurable Goods	10.13	9.83	3.1	10.25	41.2	39.8	3.5	39.7
Food and Kindred Products	9.05	8.81	2.7	8.91	44.9	41.2	9.0	40.7
TRADE	**7.75**	**7.53**	**2.9**	**7.68**	**29.2**	**29.5**	**-1.0**	**29.1**
Wholesale	10.58	9.98	6.0	10.47	37.9	38.6	-1.8	37.3
Retail	6.72	6.58	2.1	6.67	26.9	27.0	-0.3	26.9
Food Stores	7.00	6.38	9.7	6.77	25.2	25.4	-0.8	25.8
General Merchandise	6.28	6.22	1.0	6.20	28.5	27.9	2.2	28.4

Note: Average hours include hours actually worked or remunerated. Average hourly earnings include incentive and premium pay. Data may be affected by labor disputes.

Source: Utah Department of Employment Security, Labor Market Information Services. Prepared in conjunction with the U.S. Department of Labor, Bureau of Labor Statistics.

Average Hourly Wage for Selected Industries



Source: Utah Department of Employment Security, Labor Market Information Services

Utah Mass Layoffs—1990

Congress has mandated the collection of data about "mass layoffs."— What does this information tell us about the state of Utah's economy?

We have all heard government reports on how the economy is doing at a particular point in time. Reports such as "the service and finance industries are experiencing robust growth while manufacturing slid for the second quarter in a row." This type of information can be very useful for businesses, schools, and even individuals who are interested in national, state, or regional economic activity. But, did you ever wonder how the government can assemble this information? What are the methods and procedures used which reveal this knowledge?

A major source for compiling information is through congressionally authorized programs which are designed to survey, measure, and monitor the amount of activity within industrial sectors, and then translate this data into meaningful economic analyses. One such program used is the Department of Labor's Mass Layoff Statistics Program (MLS). This program tracks layoff events and records the numbers and demographic characteristics of layoffs which affect 50 or more people over a consecutive three-week period.

This program helps congressional sources and economists evaluate the extent and plight of the dislocated or displaced worker. The terms "dislocated" or "displaced" are used in reference to persons who have substantial experience and skills in a certain job but have lost that job because of a plant closing, slack work, elimination of their position, or other reason. In addition to these displaced workers, the program also includes seasonal workers and other contractual employees.

Congress authorized the Mass Layoff Statistics program in 1984. Originally tested in eight states, the program now encompasses 47 states, and it is anticipated that all 50 states will be participating in the near future. Utah began data collection for the MLS program in 1986. It is currently the only program in the State which provides statistics on mass layoffs.

Mass Layoffs in Utah

In 1990, Utah experienced 26 layoff events which qualified as mass layoffs (see Table A). Government, manufacturing, and services accounted for the majority of these layoffs. There were no mass layoffs reported in the finance\insurance\real estate category, the trade industry, or the transportation sector.

There were 4,602 workers impacted by these layoffs. This translates into an average of 177 workers laid off per layoff event. The national average for 1990 was 170 workers per layoff event. Figure 1 shows that Utah's separations per layoff event are generally smaller than

WHAT IS THE MLS PROGRAM?

The Mass Layoff Statistics (MLS) program is a federal-state program which uses a standardized, automated approach to identifying, describing, and tracking the effects of major job cutbacks, using data from each state's unemployment insurance database. Establishments which have at least 50 initial claims filed against them during a consecutive 3-week period are targeted for contact by the state agency to determine whether the separations are of at least 31 days duration, the total number of persons separated, and the reasons for these separations. Establishments are identified by industry and location, and detailed demographic characteristics of unemployment insurance claimants, such as age, race, sex, ethnic group, and place of residence are provided. The program yields information on an individual's entire spell of unemployment, to the point when regular unemployment insurance benefits are exhausted.

Continued on page 14

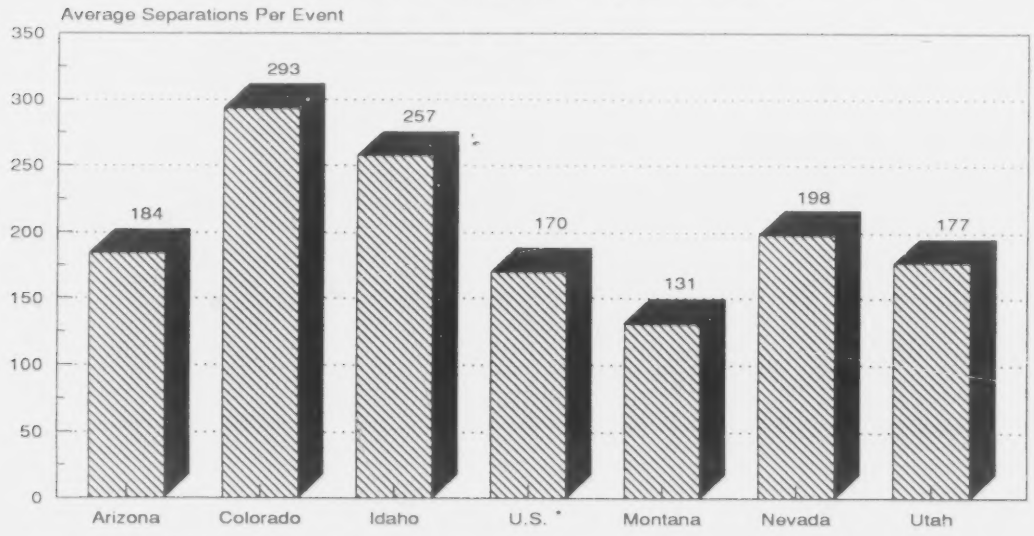
Table A

1990 Utah Mass Layoff Information

	Number of Events	Percent of Total	People Laid Off	Percent of Total	Initial UI Claims	Percent of Total
Industry						
Mining	2	7.7	188	4.1	143	4.3
Construction	2	7.7	136	3.0	91	2.7
Manufacturing	8	30.8	875	19.0	903	27.0
Services	5	19.2	1,623	35.3	805	24.0
Government	9	34.6	1,780	38.7	1,407	42.0
Reason for Layoff						
Seasonal	5	19.2	1,201	26.1	409	12.2
Contract Completed	7	26.9	1,569	34.1	1,232	36.8
Import Competition	1	3.8	96	2.1	79	2.4
Weather Related	2	7.7	139	3.0	134	4.0
Slack Work	3	11.5	472	10.3	494	16.8
Model Changeover	2	7.7	151	3.3	139	4.2
Other	5	19.2	912	19.8	805	24.0
Total	**26**	**100.0**	**4,602**	**100.0**	**3,349**	**100.0**

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Figure 1
1990 Average Mass Layoff Separation per Event

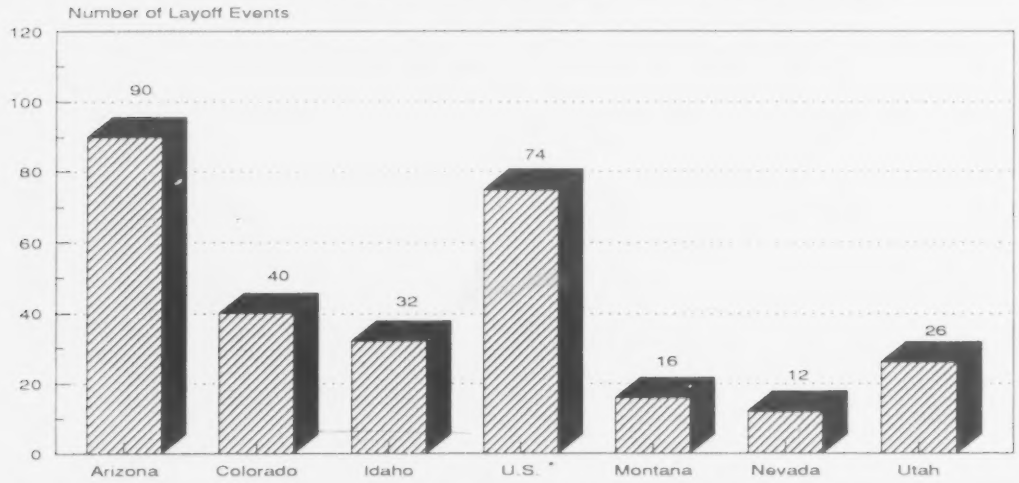


* Note: The U.S. figure is the national average for 1990

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Continued from page 13

Figure 2
1990 Mass Layoff Events in Selected Areas



* Note: The U.S. figure is the national average for 1990

Source: U.S. Department of Labor, Bureau of Labor Statistics.

most of its western neighbors.

The circumstances which prompt a company to layoff large numbers of workers vary, but Table A shows that in 1990 completed contracts and seasonal layoffs were Utah's major reasons. Many of the layoffs attributed to completed contracts occurred in government-related industries. There was an increase in government-related layoffs in 1990, largely due to cutbacks in the U.S. defense budget which began that same year.

The Effects of Seasonal Employment

As noted, layoffs from seasonal employment were significant in Utah. However, seasonal employment has a way of distorting the true nature of the State's mass layoff economic effects. One of the purposes of monitoring mass layoffs is to evaluate the direction of an economy. Many people assume that increased numbers of mass layoffs are a harbinger of an economic downturn. However, layoffs from seasonal employment may distort this analysis, as seasonal layoffs occur regardless of the state's economic condition.

A large majority of the State's seasonal mass layoffs come within the ski industry. There will be layoffs in this industry no matter what the State's economic health may be. Thus, trying to ascertain the well-being of Utah's economy by measuring the total number of mass layoffs reported may result in overestimation. Seasonal factors should be considered and evaluated. Many people who work in the ski industry come from out-of-state, and when their employment has expired, they return to their home states. Thus, the economic effects attributed to Utah's workers and its economy are usually less than the mass layoff numbers suggest.

Nationally, seasonal employment accounted for 29 percent of the nation's mass layoffs. In Utah, that percentage was 19 percent. However, in Utah, 26 percent of all the workers categorized within mass layoffs were displaced due to seasonal employment.

National Comparison

As noted, in 1990 there were 26 mass layoff events in Utah, and in the previous year there were 27. These numbers are not large compared with the 1990 national average of 74 layoff events per state. But then, Utah has only a small percentage of the nation's work force. Proportionally though, Utah's mass layoffs are

Continued on page 16

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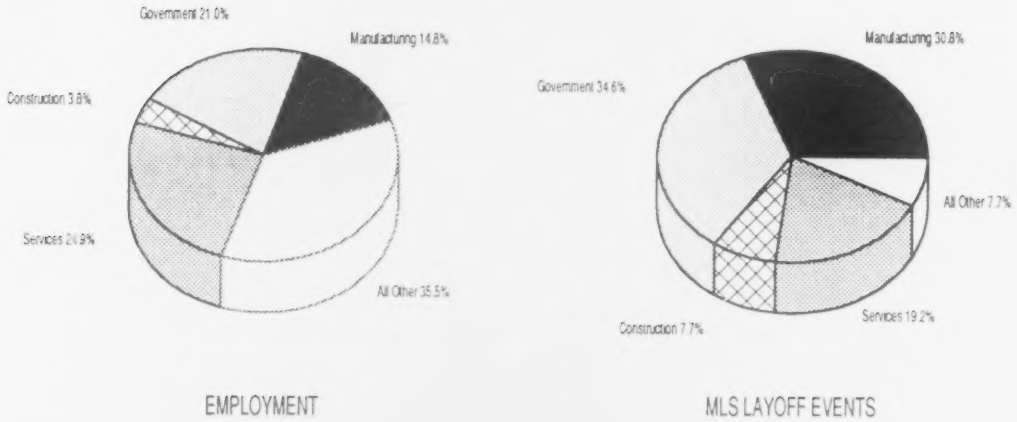
Figure 3
1990 Utah Industry Composition
Employment and MLS Events



Source: U.S. Department of Labor, Bureau of Labor Statistics.

in line with its employment totals. Utah constitutes 0.65 percent of the nation's total employment, while its mass layoffs made up 0.79 percent of the nation's total mass layoffs in 1990. Figure 2 shows Utah's mass layoff events in comparison to its western neighbors and the U.S. average.

Utah's mass layoff characteristics have some distinct differences from the national characteristics. Figures 3 and 4 help to illustrate these differences. The illustrations compare employment percentages by industry, and mass layoff event percentages by industry, for Utah and the United States in 1990. Utah's employment breakdown by industry closely mirrors the national average, but the industrial breakdown in mass layoff events differs dramatically. In Utah, manufacturing represented 31 percent of the mass layoffs, whereas nationally, it represented over half of all the mass layoffs. Government layoffs constitute a mere 3.6 percent of the nation's total mass layoffs, whereas in Utah it accounts for 34.6 percent of all mass layoffs.

Why is government-related mass layoffs high in Utah? It is a combination of high defense-related employment within the State, and the overall strength of the non-defense industries in Utah. Some of the State's largest employers are in the public sector, particularly in defense. Within the last few years, Congress has been paring back the defense budget resulting in personnel reductions within the nation's defense related industries. These personnel cutbacks have not bypassed Utah. The reductions, in conjunction with the strong nature of Utah's non-defense economy producing few non-defense related mass layoffs, act together to increase government's percentage of total mass layoffs in Utah.

One additional factor contributing to high government-related layoffs are seasonal fluctuations at the IRS Data Center in Ogden, which processes federal income tax returns. By its very nature, there is a high degree of seasonal employment at the Center, and large numbers of individuals are laid off each year. These layoffs are a normal process at the Data Center, but they add a significant contribution to government-related layoffs in the State.

Another area for comparison is the number of laid off individuals who file for unemployment insurance claims. Utah's 1990 claims-to-layoffs ratio (which compares the number of workers who file unemployment insurance claims against the total number of workers laid off) for

Continued on page 16

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workers dislocated through a mass layoff was 73 percent, compared to the 1990 national average of 82.3 percent. Utah's low claims-to-layoffs ratio can be attributed to the ski industry and the nature of its workers. Many ski industry workers are there taking advantage of free skiing opportunities. They accept the fact that this is seasonal employment, and they are aware of when this employment will terminate. Thus, many are prepared to move into other employment areas when the season has ended, or have made other arrangements. If ski resort employment is excluded, then Utah's claims to layoff ratio jumps to almost 87 percent.

What Have Mass Layoffs Told Us About Utah's Economy

In Utah, 1990 was a strong economic year. There are numerous reasons why mass layoffs may occur, but the reasons that point to a weakening of the economy, such as slack work, bankruptcy, or contract cancellation, make up a very small percentage of the mass layoffs in Utah last year. As 1990 unfolded, the monitoring of mass layoffs, and the small percentage of layoffs attributed to austere economic conditions, helped economists and planners monitor the direction of Utah's economy.

This year, there is very little change in the mass layoff outlook. There were only three mass layoffs recorded in the third quarter, and 20 for 1991 to date. Utah's economy remains relatively strong, and the mass layoff program has revealed very little change in this economic condition to date.

Conclusion

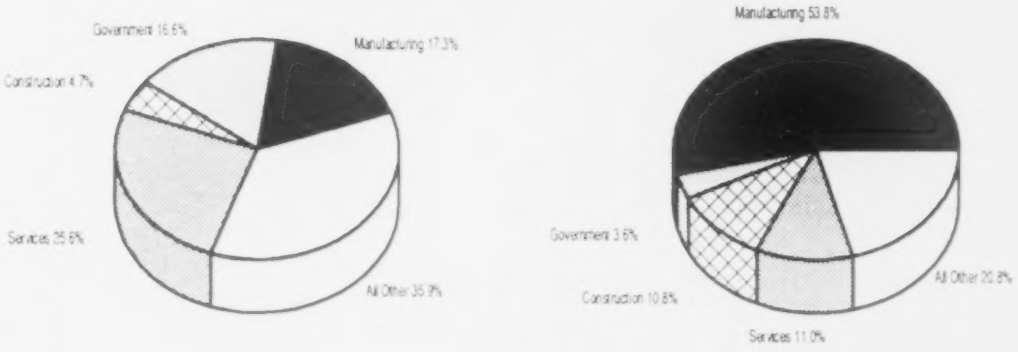
The Mass Layoffs Statistics Program can be a valuable tool to economists and government planners monitoring the State's economic direction. The information supplied by businesses who participate in the mass layoff survey is extremely valuable in helping analysts observe Utah's economic course.

Utah has been fortunate thus far in avoiding the economic downturn that has gripped many other parts of the nation. The relatively small number of mass layoffs in the State are an indication of Utah's continuing economic strength.

Most of the layoffs that occurred in the State last year were in government-related industries affected by the defense budget cutbacks, and many other layoffs are seasonal in nature. Layoffs spawned by a languid economy or poor business conditions are limited in Utah's current economy. ❐

Mark S. Knold
Labor Market Economist

Figure 4
1990 U.S. Industry Composition
Employment and MLS Events



EMPLOYMENT

MLS LAYOFF EVENTS

Source: U.S. Department of Labor, Bureau of Labor Statistics.

ACCRA Composite Cost-of-Living Comparisons for Selected Metropolitan Areas—SECOND QUARTER 1991

Component Weights:	100% All Items	13% Groceries	28% Housing	9% Utilities	10% Transption	5% Hlth Care	35% Misc
U.S. Average	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Salt Lake City UT	93.8	95.4	81.5	93.5	100.4	93.3	99.2
Cedar City UT (Nonmetro)	89.5	101.7	76.9	83.9	91.1	86.7	93.5
Provo-Orem UT	95.1	94.4	77.2	88.2	105.3	100.2	105.4
St George UT (Nonmetro)	100.6	98.3	102.2	91.5	104.7	97.6	103.0
Western States							
Phoenix AZ	101.6	97.2	98.3	102.3	104.6	113.7	102.3
Los Angeles CA	113.1	100.4	150.1	82.9	106.2	124.2	104.6
San Diego CA	104.5	101.8	115.8	83.2	108.6	115.5	101.3
Denver CO	101.9	96.8	104.5	96.7	103.1	120.5	99.9
Boise ID	99.9	97.1	114.0	74.1	86.1	110.1	104.2
Las Vegas NV	110.3	99.7	128.2	82.0	116.7	118.3	108.9
Albuquerque NM	100.6	92.1	105.3	96.2	96.7	108.9	103.5
Portland OR	110.4	109.4	136.1	72.2	105.8	131.1	103.2
Seattle WA	112.7	110.9	147.3	62.7	106.2	133.0	104.6
Casper WY	100.2	107.6	99.0	96.8	96.9	102.5	98.9
Other Areas							
Juneau AK (Nonmetro)	131.0	128.1	151.1	114.6	109.1	170.9	124.0
Atlanta GA	99.7	94.0	102.0	115.4	98.6	110.1	93.4
St. Louis MO	97.6	95.3	98.7	92.1	101.1	102.1	97.7
Nassau-Suffolk NY	149.8	120.4	199.4	209.9	126.7	133.0	122.1
Houston TX	101.0	106.3	91.9	93.0	111.8	103.3	102.3
***Highest City**	San Jose CA 135.6	Philadelphia PA 115.4	San Jose CA 234.8	Philadelphia PA 180.1	Columbus OH 121.3	San Jose CA 154.6	Richmond VA 116.7
***Lowest City**	Pueblo CO 87.1	Wichita KS 81.1	Longview TX 67.8	Tacoma WA 59.9	Canton OH 85.1	Nashville TN 73.8	St Joseph MO 85.6

*Does not include cities in Alaska or New York.

Source: American Chamber of Commerce Researchers Association

Second Quarter ACCRA Indices for Selected Cities

Source: American Chamber of Commerce Researchers Association

Electronic Bulletin Board Service

We are continuing to add data to our electronic bulletin board service! You can access employment, unemployment, affirmative action, and consumer/producer price indices at the touch of personal computer button. The service is free and can be accessed via a statewide "800" number. Contact Dwight Norris at (801) 536-7835 for more information.❐

Data Definitions

(f)—forecast.

(p)—preliminary.

(r)—revised.

Salt Lake/Ogden Metropolitan Statistical Area (MSA)—Salt Lake, Davis, and Weber counties.

Provo/Orem Metropolitan Statistical Area (MSA)—Utah County.

Employed Persons—Civilians who did any work as paid employees, worked more than 15 hours as unpaid workers in a family business, or were temporarily absent from work because of illness, bad weather, vacation, labor-management disputes. Each person is counted only once.

Unemployed Persons—Civilians who had no employment, were available for work, and made specific efforts to find work sometime during the prior four weeks. Persons waiting to be recalled to a job or waiting to report for a new job within 30 days need not be looking for work to be classified as unemployed.

Civilian Labor Force—Employed persons plus unemployed persons. Individuals are counted by place of residence.

Unemployment Rate—Unemployed persons as a percentage of the civilian labor force.

Nonfarm Employment—A count of jobs by place of work for the pay period including the 12th of the month. Excludes proprietors, the self-employed, unpaid/volunteer workers, military personnel, Central Intelligence Agency employees, and employees of the National Security Agency. Includes salaried officers of corporations.

Production and Related Workers—Includes working supervisors and all nonsupervisory workers closely associated with the production process.

Average Weekly Hours—The average hours for which pay was received during the pay period including the 12th of the month. Includes paid holidays, vacations, and sick leave.

Average Weekly Earnings—Includes hourly and incentive pay and is reported before deductions. Includes pay for overtime, holidays, vacation, and sick leave.

Initial Claims—Requests by individuals following a period of unemployment to determine entitlement to compensation under unemployment compensation laws .

Weeks Claimed—Requests for weekly unemployment insurance benefits filed by claimants.

Insured Unemployment Rate—The ratio of (1) the number of weeks claimed by individuals under the unemployment compensation program to (2) average employment covered by the program.

Reserve Fund Balance—Amount of funds available in the State's Unemployment Compensation Trust Fund to pay unemployment compensation benefits.

Utah Labor Market Report

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